



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Letter to Director, Defense Logistics Agency, regarding Defense Distribution Center

MEETING DATE: Wednesday August 20, 1997

PREPARED BY: Kirk J. Evans, Assistant to the City Manager

RECOMMENDED ACTION: That City Council authorize the Mayor to send the attached letter to Lieutenant General Henry T. Glisson, Director of the Defense Logistics Agency, urging location of the **Defense Distribution Center** in Tracy.

BACKGROUND INFORMATION: The Defense Logistics Agency (DLA) is restructuring its distribution depot system to maintain readiness and affordability of services. This action is intended to adjust management overhead and reduce overall distribution infrastructure. The first step in DLA's restructuring strategy is to realign, streamline and further consolidate headquarters distribution management.

The total streamlining effort is expected to eventually eliminate 850 positions across the U.S. This will generate a projected annual savings of about \$34 million in FY 2000 and beyond. All actions as part of this strategy should be completed by October, 1999.

A site selection team is currently analyzing the best single location for DLA's distribution management organization, to be named the **Defense Distribution Center**. One site will be selected from among those where the distribution management function is currently performed -- Defense Distribution Region West's (DDRW) regional offices in San Joaquin County or Defense Distribution Region East's (DDRE) regional offices in New Cumberland, Pennsylvania.

The regional headquarters for DDRW is located in San Joaquin County. It is this regional headquarters that is being considered for either closure or expansion once the headquarters distribution management function is consolidated. Defense Depot operations at the Sharpe and Tracy Depot facilities are not part of this streamlining decision and will remain in operation. According to Navy Captain Mike Casey, Regional Commander for DDRW, if the DDRW site is not selected, positions lost, mostly management and administrative, will fall between 350 and 400. A negative decision will obviously have an impact on the economy of this region. However, looking at the bright side, a positive decision will actually retain these positions, with the possibility of a few extra staff members. The new Defense Distribution Center would be located in Tracy. It could potentially act as a "magnet" relative to the consolidation and restructuring of other defense-related organizations that interact with the distribution management function.

FUNDING: N/A

Kirk J. Evans
Assistant to the City Manager

APPROVED: _____

H. Dixon Flynn -- City Manager

CITY COUNCIL

PHILLIP A. PENNINO, Mayor

ACK A. SIEGLOCK

Mayor Pro Tempore

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STEPHEN J. MANN

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RANDALL A. HAYS

City Attorney

August 20, 1997

Lieutenant General Henry T. Glisson
Director
Defense Logistics Agency
8725 John J. Kingman Road, Suite 2355
Fort Belvoir, VA 22060-6220

Dear General Glisson:

I am writing on behalf of the Lodi City Council to express our strong concern regarding the Defense Logistics Agency's (DLA) proposal to restructure its distribution depot system.

The purpose of this letter is to strongly urge you and the site selection team to consider Defense Distribution Region West (DDRW) in California as the selected distribution management organization, to be named the Defense Distribution Center.

We understand the need for down-sizing the military in light of the end of the Cold War and the reality of tight budgets. We also realize all Americans must share the economic impact of these changes. However, although jobs are extremely important, this is not only a jobs issue. California has already been impacted by the largest number of facility closures in the country, suffering the loss of seventeen military facilities. This is, first and foremost, an issue of maintaining America's military readiness and of our ability to engage in distribution of military equipment and supplies in a timely and efficient manner.

Continuing a distribution headquarters on the west coast is critical to our military readiness. Service to our bases in the Pacific Rim will be enhanced by a minimal time zone difference between these bases and the Defense Distribution Center. A Center at DDRW is essential to preserving the vital interests of the United States, as well as the stability of the Pacific Rim. This is especially true given the loss of our forward bases in the Philippines. We urge you in the strongest terms to select the DDRW for the designated Defense Distribution Center.

Thank you in advance for your attention to this important matter.

Sincerely,

Phillip A. Pennino,
Mayor

CITY COUNCIL

PHILLIP A. PENNINO, Mayor
ACK A. SIEGLOCK
Mayor Pro Tempore
KEITH LAND
STEPHEN J. MANN
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City Attorney

August 29, 1997

Lieutenant General Henry T. Glisson
Director
Defense Logistics Agency
8725 John J. Kingman Road, Suite 2355
Fort Belvoir, VA 22060-6220

Dear General Glisson:

I am writing on behalf of the Lodi City Council to express our strong concern regarding the Defense Logistics Agency's (DLA) proposal to restructure its distribution depot system.

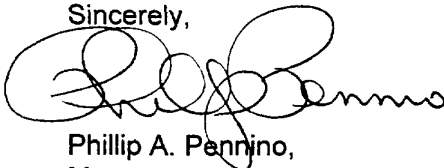
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Thank you in advance for your attention to this important matter.

Sincerely,



Phillip A. Pennino,
Mayor

cc: Senator Dianne Feinstein
Congressman Richard W. Pombo